



General Assembly

January Session, 2017

Raised Bill No. 6992

LCO No. 3300



Referred to Committee on AGING

Introduced by:
(AGE)

***AN ACT PROTECTING THE INTERESTS OF CONSUMERS DOING
BUSINESS WITH FINANCIAL PLANNERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section and section 2 of this act, (1) "fiduciary duty" means a duty to
3 act with prudence in the best interests of a consumer with undivided
4 loyalty to such consumer, and (2) "financial planner" means a person
5 offering individualized financial planning or investment advice to a
6 consumer for compensation whose advice to the consumer is not
7 otherwise regulated under the Employee Retirement Income Security
8 Act of 1974, the Investment Advisers Act of 1940 or the Securities
9 Exchange Act of 1934, as said acts are amended from time to time.
- 10 (b) No financial planner shall, in connection with an agreement with
11 a consumer to provide financial planning or investment advice for
12 compensation, use a certificate, professional designation or form of
13 advertising expressing or implying that such person has special
14 training, education or experience in advising or serving senior citizens,
15 unless such person has obtained a certificate, title or designation in
16 accordance with the provisions of section 36b-4 of the general statutes.

17 (c) A financial planner shall disclose to a consumer, upon request,
 18 whether or not such financial planner has a fiduciary duty to such
 19 consumer for each recommendation such financial planner makes to
 20 such consumer.

21 Sec. 2. (NEW) (*Effective from passage*) The Commissioner of
 22 Consumer Protection, in consultation with the Banking Commissioner,
 23 shall provide on the Internet web site of the Department of Consumer
 24 Protection, a link to a list of (1) financial planners and other financial
 25 planning professionals doing business in the state who are required to
 26 act in a consumer's best interests pursuant to their certification by the
 27 Certified Financial Planner Board of Standards, and (2) information on
 28 requirements for investment advisers pursuant to chapter 672a of the
 29 general statutes. The Commissioner of Consumer Protection shall also
 30 include on the department's Internet web site information concerning a
 31 consumer's right to ask for disclosure from financial planners or other
 32 financial planning professionals about fees and compensation as
 33 required under applicable state and federal law.

34 Sec. 3. (NEW) (*Effective from passage*) If any provision of sections 1
 35 and 2 of this act is held invalid, such invalidity shall not affect other
 36 provisions of said sections, in accordance with section 1-3 of the
 37 general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

Statement of Purpose:

To provide protections for consumers who receive investment advice from financial planners.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]